

S.B. 91 & S.B.93

From: Craig Harrigan – 64 Solar

My name is Craig Harrigan and I am President of 64Solar located in Port Chester NY. We have installed about 70 commercial solar projects in the State of CT over the past six years. We were one of the CT Green Banks most prolific installers for several years.

We are avid supporters of the CT Green Bank and the innovative PACE financing program. I would not be here if it was not for the CT Green Bank. Some of the projects I helped to build were some of the first PACE projects in the State.

I am here today to talk about style drift. The original charter of the CT Green Bank was to help building owners gain access to long term affordable capital for clean energy and energy efficiency projects.

This in conjunction with the CT ZREC program was a very attractive product mix for building owners who did not wish or could not come up with the necessary capital on their own. This financing was very appealing to building owners who have the some of the highest electric rates in the United States.

Over the last few years, I have seen some what I am calling “Style Drift” in the original charter of the CT Green Bank. I am concerned that the latest expansion may accelerate municipal solar installation at the detriment of the rate payers that are footing the bill for these incentives.

There are many installation companies operating in CT that have developed business with municipalities. We at 64Solar have elected to leave this market and I wanted to share with you why that is.

What has occurred over the last few years is that agencies of the State of CT and local municipalities have carved out or effectively frozen out, private industry from these incentive pools which is being driven by policies of the CT Green Bank.

One needs to only look at the solar incentive awards over the last four years and see that the majority of public incentive monies is going back to State and local municipalities or their financing partners, I would like to explain how this is occurring.

The notion that SolarMap is helping underserved communities while technically correct is also one side of a coin that prevents another organization from going solar.

The CT Green Bank is actively and privately working with local townships and are doing feasibility studies for these select townships. The CT Green Bank is arranging for these towns to go solar with coordinated bidding advice. In my opinion they are working with townships

helping to set the market. I do not think that this is done with malice of intent but a coordinated bidding is an effective tactic to ensure success in the medium and large tier auctions. Financing companies want larger deals than is generally available in CT and this pooling methodology is an effective way to do it.

Municipalities have some distinct advantages over private industry. In many cases the path to place solar on the grounds or roofs of municipal buildings is less costly to build. The town can elect to waive permitting fees is one. Not having to pay taxes on their utility bills is an automatic 7% savings. Building plans are usually available and there is very little if any pushback from local residents or the building permitting officials.

Why is this important?

Because the incentive pools are a reverse auction, it favors the lower bidder. Private industry needs to bid higher because of some of the previous mentioned issues so the Connecticut rate paying building owner is immediately at a disadvantage in a State that favors the lowest bid and is actively courting the lowest bidders.

The CTGB is offering financing on these projects at significant discounts over private industry. There is a big difference of 6% money and 3% money and many times this is the biggest detriment on moving forward.

Once the awards are secured, the CT Green Bank then proposes an RFP for construction. This is the step where the CTGB will pick their installer which is not based on the submitted lowest build price but a combination of factors and in the end the CTGB can elect to choose anyone they want to build these projects. From previous years this is going to only a VERY small handful of installers and the CTGB has made statements to that effect moving forward.

The other effect that no one speaks to is that because the pool of monies that are most left for private industry is based upon the average clearing prices of larger incentives the net effect is that it is pushing down the value of incentives for smaller projects. So, the incentive is getting smaller slowing the rollout of solar in this market segment.

This is not the original charter of the CT Green Bank and while the CT Green Bank talks about promoting jobs I can attest that their actions are causing more companies and individuals to leave the CT market at a rapid pace. All of this in the State that has the highest electric rates in the continental US.

So, while the Muni market is encouraged to become more energy efficient it is doing so at the detriment of the rate payer and the local solar installer.

While I personally support the muni programs there needs to be some guidelines so as not to freeze out the non-municipal market. I would suggest that in the future we take a look at placing a maximum percentage award to the muni market and let that submarket compete

against each other instead using the incentive pool as an opportunity to cut costs by competing against the public sector.

Sincerely

A handwritten signature in black ink, appearing to read "Craig Harrigan". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Craig Harrigan  
President – 64 Solar